

APRIL 1974

A Nation of Neighbors

**SPECIAL: Flood Disaster
Protection Act of 1973**

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HUD Challenge

U.S. Department of Housing and Urban Development

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HUD Challenge, The official Departmental magazine, is published monthly by the U.S. Department of Housing and Urban Development. Use of funds for printing was approved by the Office of Management and Budget, August 28, 1973. **HUD Challenge** serves as a forum for the exchange of ideas and innovations between HUD staff throughout the country, HUD-related agencies, institutions, businesses, and the concerned public. As a tool of management, the magazine provides a medium for discussing official HUD policies, programs, projects, and new directions. **HUD Challenge** seeks to stimulate nationwide thought and action toward solving the Nation's housing and urban problems. Material published may be reprinted provided credit is given to **HUD Challenge**. Subscription rates are \$10.85 yearly domestic, and \$13.60 for foreign addresses. Paid subscription inquiries should be directed to: Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. Manuscripts concerning housing and urban development are welcome. Send all editorial matter to: Editor, **HUD Challenge**, Room 4278 Department of Housing and Urban Development, Washington, D.C. 20410. Statements made by authors do not necessarily reflect the views of the Department.

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Page 6: Long written off as "the other city" in California's Bay Area, Oakland is rapidly losing its second place image amid ambitious physical redevelopment and citizen involvement in efforts to improve the quality of life for all Oaklanders.

Page 14: HUD efforts to achieve the goal of equal opportunity in housing and employment deriving from HUD programs are attaching increasing importance to the strategy of voluntary compliance on the part of the private sector.

Page 18: Twin concerns of the Department's Federal Women's Program are increased opportunities for HUD-employed women and equitable treatment of women as HUD clientele.

Page 25: A major new piece of land use legislation, the Flood Disaster Protection Act of 1973, embodies sound approaches to limiting the toll of human tragedy, property losses and economic setbacks caused by flooding.

NEXT MONTH:

A selection of articles will highlight some new priorities in community planning and focus on the findings of two major housing authorities that have acted to improve the operation of their multifamily projects.

COVER: In observance of the sixth anniversary of the Civil Rights Act of 1968, a study in the warmth and strength of human kinship is highlighted—the spirit of the Law.

Photo courtesy of Theodore R. Britton, Jr.

looking ahead

Colleges and Community Development

The many ways in which colleges can contribute and become involved in the important work of halting and reversing local urban decay are explored and discussed in a report entitled "The Role of a Black Institution of Higher Learning in Community Development" prepared by the officials, faculty, and graduate students of Texas Southern University in Houston, Texas. Funded by HUD's Office of Community Planning and Development, the report describes the specific activities of TSU under five headings: (1) Youth: Potential Unlimited; (2) Minority Groups in Houston: Problems, Progress, and Prospects; (3) Urban Community Values, Attitudes, and Highway Planning; (4) Community Development: A Neighborhood Planning Process; (5) An Analysis of Texas Southern University's Capacity to Service Community Needs. Single copies of the report are available from the Director, Urban Resources Center, Texas Southern University, Houston, Texas 77004.

Population Growth

To promote observance of World Population Year established by the United Nations in 1974, President Nixon has established a National Commission to create a better understanding of the causes, nature, scope, and consequences of population growth, and its relationship to the quality of human life. "One of the most serious challenges to human destiny in the last third of this century will be the growth of the population," the President said. "Whether man's response to that challenge will be a cause for pride or despair in the year 2000 will depend very much on what we do today. If we now begin our work in an appropriate manner, and if we continue to devote a considerable amount of attention and energy to this problem, then mankind will be able to surmount this challenge as it has surmounted so many during the long march of civilization."

Bank Initiates Downtown Renovation

A block-by-block renovation of Dubuque, Iowa's downtown Central Avenue is proposed by the Dubuque Bank & Trust Company which has taken the first step by commissioning an Iowa designer to draw up a plan for a block-long facelift. The designer's sketch of what Central Avenue could look like was favorably received by building owners, merchants and bank personnel and work on the scheme—named "New Faces for Old Places"—begins this Spring. Merchants see a renovated Central Avenue drawing business back into the downtown area. Dubuque has been designated an Iowa Bicentennial City and the block-by-block renovation scheme is being related to 1976 and the nation's 200th birthday celebration.

Improved Minimum Property Standards

HUD Minimum Property Standards now include stricter requirements for life safety from fire and are to be complied with before the FHA will insure mortgages covering the structures. The improved standards cover multifamily housing, housing for the elderly and nursing homes. They are designed to achieve greater safety in all new HUD-FHA assisted or insured construction throughout the country. They apply as well to HUD-supported public housing. They are based on detailed comments from qualified organizations and individuals, and stress the use of early warning smoke detectors, fire extinguishing devices, and building compartmentation.

Energy Conservation Home

A single-family house designed to make optimum use of solar as well as conventional energy sources is being built near Allentown, Pa., by the Pennsylvania Power and Light Company. Dubbed "the energy conservation home," it is basically a research project to test the feasibility of using energy in every way possible without changing people's life styles. The Company explains that the main difference between this and other houses is in its heating system which uses two heat pumps and a system of solar collectors, plus a series of heat exchangers—all designed to keep the needed hot water warm and ready to use without special heat surges to meet unexpected demands. All sorts of devices are incorporated into the house to prevent heat losses, including triple-glazed windows, tighter door and window seals, and tongue-in-groove sheathing. A practical test of the house will be made by a family which will cooperate in monitoring its livability. Builders of the house aim at a \$35,000 to \$40,000 price level, although the experimental house will cost considerably more because of the special equipment that will be used for the first time and the technical assistance needed to develop and oversee the experiment.

Nonprofit New Community

The first new community to be sponsored by a private nonprofit corporation is being developed with the aid of a \$13 million loan guaranteed by the HUD Community Development Corporation. The project is the 1,740-acre Harbison site eight miles northwest of Columbia, S.C. being built by the Harbison Development Corporation formed by the United Presbyterian Church. A population of 23,000 is projected at the close of the 20-year development period. The Community Development Corporation, established in HUD three years ago, is directed by a Board that established policy and authorizes loan guarantee commitments. HUD Secretary Lynn is chairman of the Board.

Fair Housing: an American Need

By Dr. Gloria E. A. Toote

"At the outset, we set three basic requirements for our program to achieve equal housing opportunity: It must be aimed at correcting the effects of past discrimination; it must contain safeguards to ensure against future discrimination; and it must be results-oriented so its progress toward the overall goal of increasing housing opportunities can be evaluated. . ."

*—President Richard Nixon
Message to The Congress
September 19, 1973*

To better orchestrate the priorities of my office, I felt it essential to know more about housing discrimination, its various and many subtle forms of practice and distinguishable impact upon minorities, women and the poor.

During the last several months, I have made a point of not only seeing the housing of the poor and minorities, but also of listening to many who considered themselves part of the neglected masses of America.

The various conversations and travel have proven enlightening to my staff and me. One result will be specific programs emanating from the Department for fair housing and equal opportunity that will have general positive impact across the Nation and soon be recognizable by our constituency.

Also, our new program of a national cooperative effort between Government and the private sector will bring about a climate for minority Americans to live according to their customs and life styles in communities of their choosing.

The desire by most Americans that our society be open and provide equal opportunity for all must be matched by Federal programs and monitoring to assure

greater compliance with the Federal law.

State and local government must join hands with the Federal Government in protecting the individual rights of its citizens, particularly in isolated pockets throughout the Nation, in both the North and the South, where fair housing and equal opportunities are still illusive to many.

The spirit of the law will no longer suffice, only when the letter of the law with the spirit of compliance becomes a reality throughout America will the needs of all those classified as minorities be addressed.

America has so much to gain when all its citizens can live in peace, when use of the talents of all Americans becomes the determination of our national economic growth.

Fair housing alone will not bring to an end the myriad problems of racial discrimination or equal opportunity, but where fair housing does exist as a part of community life, the tensions of busing, school integration, and inadequate community services decrease.

America will be the land of the free only when all citizens enjoy all the benefits of freedom. Discrimination because of sex, language, color or poverty is too costly for our Nation; too demeaning to our citizens; and causes anxiety within our children which hinders their intellectual growth, ambition, and understanding of the world in which they must live.

Within our lifetime, our Nation of magnificent accomplishments has built airports in the sea, buildings in the sky, and circled the world above. Surely, we can build a *Nation of neighbors.*

Dr. Toote is HUD Assistant Secretary for Equal Opportunity.

HUD's PROGRAM FOR THE SPANISH SPEAKING

By Alejandro Becerra

Among Spanish speaking Americans, the darker the skin, the deeper the accent, and the lower the socio-economic status, the more likely the chances of suffering housing discrimination.

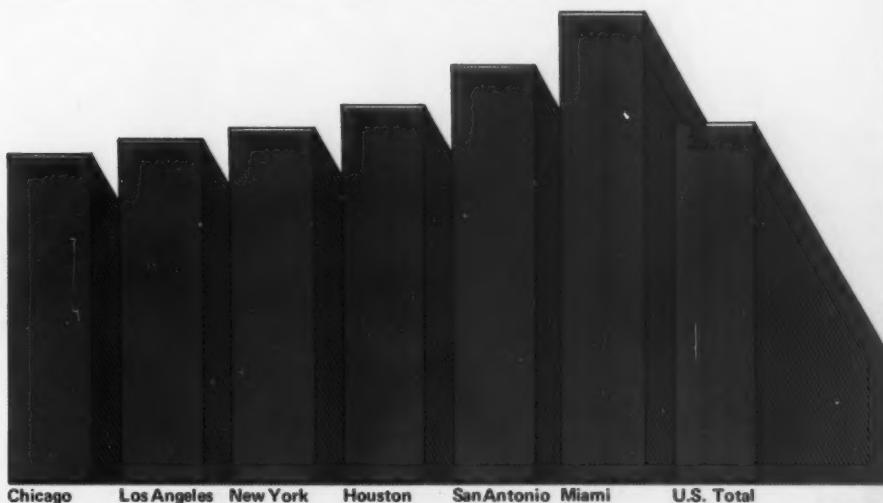
Broad statement, isn't it? But the housing problems of the Spanish speaking are complex and made more so by their low income and their lack of participation in government-assisted housing programs. As a result many low- and moderate-income Spanish speaking families tend to concentrate in Spanish speaking communities known as barrios.

Life in the Barrios

The barrio, with its strong family and ethnic ties, and its pattern of solidarity, has provided Spanish speaking Americans with economic

and emotional security. The mutually dependent inhabitants of the barrio look toward full utilization of indigenous resources to solve community problems. They feel that they should participate at all administrative and executive levels in public activities affecting their lives. They rank themselves with American Indians as the most under-educated, unemployed, and poorly housed people in America. According to the 1970 Census of Housing, Spanish speaking Americans do, in fact, live in a greater proportion of high-rent, inferior homes than do other Americans. Living in the barrio by choice in the quest for economic and emotional security presents no problem. Living in the barrio, in the absence of alternative life styles, does present a prob-

PERCENTAGE OF SPANISH-SPEAKING HOUSEHOLDS
OVERCROWDED IN SIX MAJOR CITIES AND U.S.





lem which needs to be resolved by Federal, State and local housing agencies.

HUD's Spanish Speaking Program

The position of HUD Coordinator for the Spanish Speaking Program was established to monitor the impact of HUD programs in the Spanish speaking community and to promote equal opportunity for the Spanish speaking in all aspects of HUD programs. All activities are coordinated with the Office of the Assistant Secretary for Equal Opportunity and all policy recommendations are made to ensure an institu-

tional and Departmental response to the housing needs of the Spanish speaking. Under the leadership of the Assistant Secretary for Equal Opportunity, the Spanish Speaking Coordinator, as well as the Indian and Women's Program Coordinators, share an equal role with the Equal Opportunity office directors in the internal policy-making process. Accordingly, their input is assured in all equal opportunity matters within the Department.

Management by Objectives

The Spanish Speaking Coordinator has sought to establish an effective Spanish Speaking Program by formulating measurable objectives for all of the Department's efforts relating to employment, minority entrepreneurship, ethnic data collection, information dissemination, and program delivery.

HUD Employment

Within the Department, the Spanish Speaking Coordinator is the focal point in implementing President Nixon's sixteen point program to open up equal employment opportunities for the Spanish speaking in HUD. An objective currently being pursued is the designation of Equal Opportunity staff members as coordinators of the program in each of HUD's Regional Offices. Their activities will complement those of the Spanish Speaking Coordinator in utilizing the equal opportunity talent bank for job openings at HUD and in establishing rapport with the Spanish speaking community.

Minority Entrepreneurship

Increasing entrepreneurial opportunities for the Spanish speaking is a major objective of the HUD Spanish

speaking program. Not only is an attempt being made to assure equitable participation of Spanish speaking entrepreneurs in HUD programs but also to effect policy promoting participation. Thus, we are advocating construction and management opportunities for Spanish speaking businessmen, including making use of Section 3 guidelines for the provision of contracts to business concerns located in or owned by persons residing in the area of a HUD assisted project—business concerns which in some parts of the country may be owned by the Spanish speaking.

Finally, we are making use of affirmative action plans to assure participation of minority entrepreneurs in HUD programs. HUD's New Communities Program, for example, has developed affirmative action provisions which are considered to be among the strongest within the Department.

Ethnic Data Collection and Program Policy

Another important objective of the Spanish speaking Program is to ensure inclusion in HUD programs, of data on Spanish speaking participation, including housing data on the Spanish speaking in the Department's upcoming national housing survey. The Coordinator assists the Equal Opportunity Office in recommending policy, procedures, and programs designed to meet the housing needs of the Spanish speaking.

Coinciding with these efforts are attempts to elicit information, comments, and suggestions from the Spanish speaking community concerning proposed legislation, programs, and policies. Contacts with the Spanish speaking community have

involved major national Spanish speaking organizations, contractor associations, and housing professionals. The main thrust of this communications network has been to provide special information and assistance concerning HUD programs to Spanish speaking organizations and individuals and to relay to HUD staff the urgent housing needs and concerns of the Spanish speaking.

Information Dissemination

HUD has translated most of its program information into Spanish. It is reaching the Spanish speaking media and community with this information through the Office of the Assistant Secretary for Equal Opportunity and of the Assistant to the Secretary for Public Affairs. Close communications have been established between the Office of Public Affairs and the Cabinet Committee on Opportunities for the Spanish Speaking. In addition a program is being formulated to ensure that all important HUD program information reaches the Spanish speaking population.

With respect to the housing needs of the Spanish speaking, one fact is certain: Spanish speaking Americans have the same values as the population in general—a decent home to live in and possibly own. In summation, it can be said that the HUD program for the Spanish speaking seeks to enable these Americans to obtain housing of their choice, and, in the case of government assisted programs, to give them access to decent housing they can afford—not because they are minorities, but because they are Americans.

Mr. Becerra is Coordinator of HUD's Program for the Spanish Speaking.

“the other city”

By Lawrence Pearl

Oakland is often called the “other city” in the northern California bay area. Gertrude Stein dismissed Oakland by saying, “There is no *there* there.” Even today, many people, when they think of Oakland think of the A’s, the Raiders and other athletic teams as well as a number of activist organizations. But something is happening in Oakland today. Something that is of great importance to HUD, to its Office of Equal Opportunity, and especially to a Nation grappling with urban problems which sometimes seem overwhelming and insoluble.

It is easier to describe what Oakland is, what has been accomplished, and what is planned than to say why these things have happened. Perhaps this story and its illustrations will accomplish this.

Representative Government

In some ways Oakland, Calif., has become a showcase of good race relations. The city has a population of over 360,000, of which 35 percent are blacks; 8 percent are Spanish-Americans; and 5 percent are Orientals. Median income is \$9,626 among white families; \$7,700 among black families; \$8,783 among Spanish-American families.

Of the eight members of the city council, one is black, one is Mexican-American; one is Japanese; and, one is Chinese. Thirty-two percent of the mayoral appointments to 11 city boards and commissions are minority. Nine of these 11 boards and commissions are chaired by a member of a minority group.



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Photos by Dick Mowrey



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1. Oakland's growth rate is the area's fastest.
2. Some 7,000 jobs might result from the 15-block City Center redevelopment project.
3. BART (Bay Area Rapid Transit System) president Nello L. Bianco (left) and Tom Berkley (right) president of the port of Oakland discuss what is happening in Oakland with author Larry Pearl.
4. Douglas N. Salter (left), City Center project executive for Grubb & Ellis Development Co., and Mitch Hardin, the firm's City Center project manager, discuss progress of the \$15 million project.
5. Civic pride surrounds the city's Coliseum complex, which houses four major league teams.
6. Oakland's bustling port has triggered one out of every five jobs in the area.



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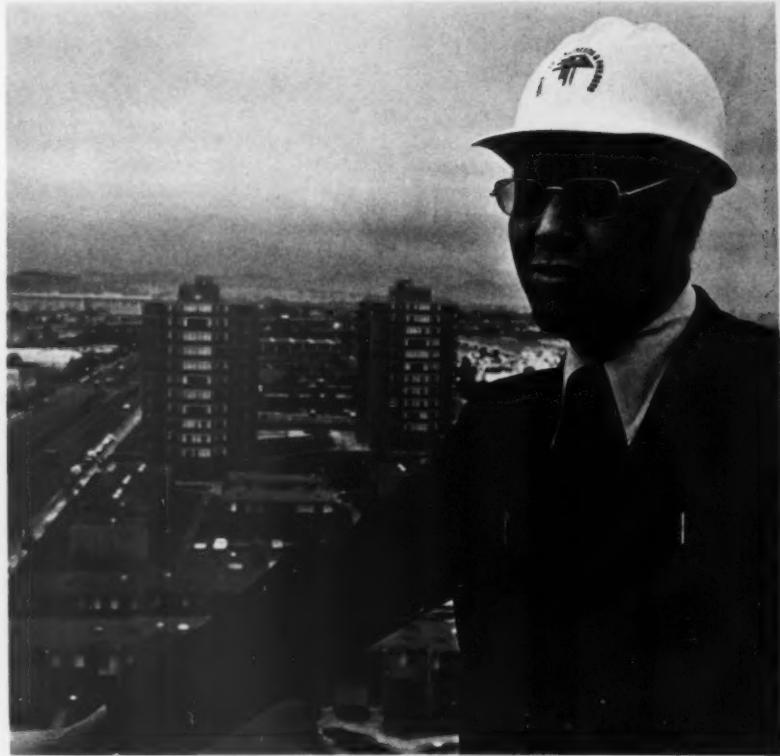
The rate of employment of minorities by the city government itself is increasing rapidly although it may not meet the city's self-imposed goal of reflecting Oakland's population mix by mid-1974. Progress along these lines has been achieved, however, by the creation of positions for Public Employment Program employees, by selective certification, especially of Spanish-speaking employees, and the creation of new career ladders.

Employment

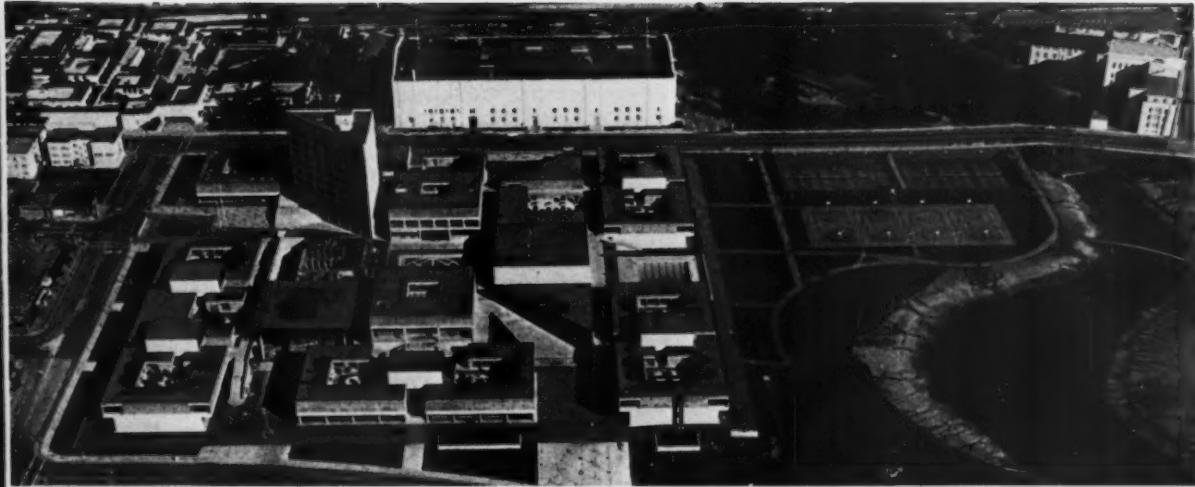
Minority involvement in construction is exceptional. Work done by the redevelopment agency has resulted in 65 percent of the construction jobs being held by minorities. Out of \$35 million worth of construction in the last four years, minority firms have accounted for more than \$10 million. In addition, minority companies in joint ventures with other firms have supervised another \$10 million worth of construction contracts.

One key to achievement of these impressive results is the existence in Oakland of the General and Specialty Contractors Association, which is responsible for bringing minority contractors together for their mutual self interest and their involvement in more phases of construction in the city.

It is, then, no accident that Oakland minority contractors, and Ray Dones, President of GSCA, played a key role in the implementation of Section 3 of the Housing and Urban Development Act of 1968, which charges the Secretary of HUD to ensure to the greatest extent feasible the use of lower-income persons and businesses in HUD project areas in jobs, training, and business opportunities stemming from such projects. Section 3 regulations were issued on October 23, 1973.



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7. Oakland's \$9 million art museum and the Paramount Theater are the center of the city's lively cultural scene.
 8. Builder and engineer Ray Dones gets bird's eye view of MOHR housing—a 350-unit project.
 9. Oakland's redevelopment agency played role in acquisition of land for construction of Laney College—the city's downtown community college.
 10. & 11. The Embarcadero project is expected to revive the city's historic waterfront vitality.
 12. Jack London Square is one of the city's most attractive examples of private development.

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13. & 14. Portobello—"Beautiful Harbor"—on the shores of the Oakland side of the Alameda estuary is an unusual private development for work, living, and recreation.

15. Youngsters enjoy play area in Oak Center redevelopment area.

16. Land acquisition began in 1962 for Acorn—the city's first redevelopment project.

17. Elderly housing project manager, Mrs. Helen Wallace visits with tenant Mrs. Annie Baker.

18. John Williams, Director of Oakland's Redevelopment Authority, ponders point during one of many meetings.

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The redevelopment agency is not alone in its aggressive pursuit of minority job and business opportunities. The Oakland International Airport, run by the Oakland Port Authority, is currently undergoing expansion. Almost 50 percent minority employment is being used. World Airways has established a minority-owned firm to handle plane refurbishing and maintenance.

The Oakland Real Estate Board started admitting minorities to membership in the late 1950's. Today, more than 35 percent of its members are minority, and it recently got its first black president.

City Center

The capstone of Oakland's planning—physical, social, and economic—is City Center. The need for the City Center project arises from many of the same factors that prevail in other cities: a decaying central business district, substandard hotels, and rooming houses with many vacancies.

The plan for City Center calls for total clearance of a 15-block area. In its place will emerge a hotel, five office buildings, three major department stores and approximately 100 specialty shops constituting a major regional shopping center.

When completed, City Center should result in an \$84 million increase in retail sales, and 6,000 to 7,000 new employment opportunities. To this extent, City Center sounds like similar projects in other cities. More ambitious than most to be sure, but more a matter of degree than of kind.

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19. & 20. Homeowner
Mrs. Mueller reflects
satisfaction with home
newly rehabilitated with
HUD low interest loan and
grant.

21. Housing Authority
Executive Director Harold
Davis is a prime mover in
Oakland's stride forward.

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But City Center also has what is called the Community Involvement Program, described in agency literature as "an American Model." It is basically an eight point community program based on strategy and goals for minority involvement in all phases of development of the City Center project. The eight point program covers construction, ownership, management, marketing, design, employment, occupancy, and replacement housing:

construction: The continuing effort of the redevelopment agency to involve minority employees in the building trades is demonstrated by the fact that minority employees accounted for 65 percent of the construction man-hours on the Wells



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Fargo Building, the first City Center building to be completed. The agency set goals for minority employment in each trade to a level consistent with the ethnic mix reflected in the 1970 census.

ownership: The City Center Economic Development Corporation, formed by the major developer of City Center, Grubb and Ellis Development Company, will have ownership of the office buildings and shops and one-third ownership of the City Center hotel. The incorporators, in addition to Grubb and Ellis, were nine black community leaders and two Chicano leaders. Further studies are underway to find a way to make community ownership possible on a small individual investment basis.

management: Here the goal is to provide for minority involvement on both the development management staff and the property management staff which will manage the project when completed.

marketing: The developer, Grubb & Ellis, has integrated its own leasing team for City Center. In addition, the company has a joint venture relationship with three local minority-owned real estate brokerage firms.

design: All architectural firms or consultants involved in the project have been required to involve minority individuals. The Design Review Committee of the Oakland Citizens Committee on Urban Renewal regularly reviews design plans and has endorsed the plan.

employment in City Center: To ensure minority job applicants for the 7,000 jobs anticipated in City Center, the Oakland Department of Human Resources Development will work with the Eastbay Skills Center to raise skill levels of applicants. This program should help City Center tenants meet their affirmative hiring goals.

occupancy: Locating minority owned or managed shops to occupy the mall is perceived as one of the most difficult tasks. Generally, regional shopping centers are not noted for minority enterprise. Academic training, on-the-job training, business loans, and other programs may be necessary, it is believed, to achieve a respectable final result in minority occupancy.

replacement housing: With total community involvement City Center will remove approximately 283 units plus a residential drug center from the present housing stock. Federal law requires replacement of these units on a one-for-one basis. Community groups have indicated a strong interest in the development of these units.

The Reason Why

If Oakland's plans for City Center and the city's accomplishments to date seem impressive, there should be some reason for it. Oaklanders, when asked why, unanimously point to a degree of openness in communication that they say other communities do not match. Top leaders can and do talk to community folk, they say.

Some say the answer is leadership. They point to Tom Berkley, for example, whose first experience in Oakland was as a worker on the docks while going to law school. Today, he publishes newspapers which are a vehicle for establishing an informed black and Spanish community.

The newspapers are written in what Mr. Berkley refers to as a constructive, non-confrontationist communication style.

Others point to John Williams, who has headed the redevelopment agency since 1964 and has provided much of the know-how for the physi-

cal development of the city.

In the last analysis, progress in Oakland seems to occur because people in a position to accomplish things are bound and determined to do it, and do it with the help and support of Oaklanders, whatever their income, race, or sex. This attitude is best summed up by Housing Authority Executive Director Harold Davis who is so impatient that he keeps the clock over his desk and his watch 15 minutes fast at all times.

Mr. Davis has stated that his goal is to work for one Oakland, for both Piedmonters in the big mansions in the hills, and for the flatlanders who are struggling to make ends meet. One Oakland for every citizen—a dream moving toward reality in "the other city."



Mr. Pearl is Director of the Office of Policy Data within the HUD Office of Equal Opportunity. His reflections on developments in the city of Oakland are reported here at the request of the Assistant Secretary for Equal Opportunity, who was impressed by the city's social and physical progress observed during her visit to the bay area.

new direction for voluntary compliance

By
Lloyd Davis

One component of administrative application of civil rights laws is embodied in the mission of the HUD Office of Voluntary Compliance and one which focuses on a new thrust the Office is creating. This strategy endeavors to promote awareness of the law and to seek public cooperation in its observance through educational activities. The Office seeks to reshape institutional beliefs, by exposing myths regarding minorities and their housing preferences.

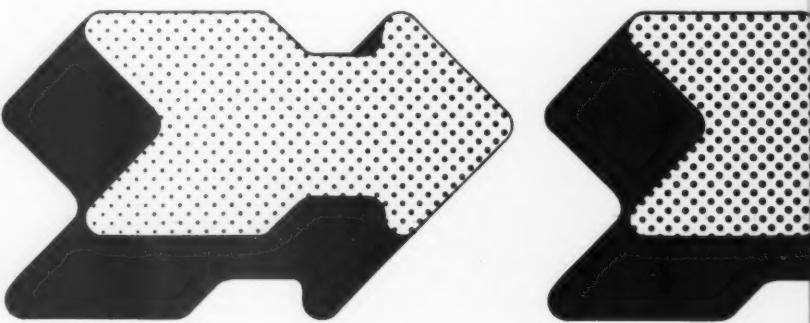
Section 809 of Title VIII of the 1968 Civil Rights Act gives authority for such affirmative activity to the Secretary of HUD, who is charged with calling "conferences of persons in the housing industry and other interested parties to acquaint them with the provisions of this title and his suggested means of implementing it, and (endeavoring) with their advice to work out programs of voluntary compliance and enforcement."

Voluntary compliance goals include expansion of training and job opportunities for minorities and women; equal treatment in the delivery of HUD program benefits; and expanding housing options for minorities by working for a condition in which persons of similar income levels in the same housing market area have a like range of housing choices available to them. The basic policy approach of HUD's Office of Voluntary Compliance is one of cooperation and assistance in aiding and encouraging persons, firms, and agencies in the housing industry not only to comply voluntarily with the law and HUD equal opportunity requirements, but to extend themselves

beyond these requirements in developing programs of affirmative action designed to correct the effects of past discrimination.

This points to the connection between enforced and voluntary efforts since both are vital techniques in advancing fair housing prospects and equal opportunity. Voluntary

freedom of choice for minorities. On the other hand, this posture does not propose to force any minority group member to live where he does not choose. These efforts do expose subtle forms of racial discrimination such as "steering", contrived advertising and lending practices. Through voluntary compliance private industry as



compliance efforts do not exist in and of themselves but are supported by the floor of law and Executive orders which are embodied in and pertain to Title VIII. One element is private industry's desire to secure the benefits of government work, a component of good will which involves itself in voluntary compliance activities.

Further, voluntary compliance responsibilities are distinguished from those of HUD/Equal Opportunity standards which serve to institutionalize HUD's equal opportunity requirements in all Departmental regulations, circulars, handbooks and procedures.

Elements of Voluntary Compliance

Voluntary compliance activities seek to break traditional barriers to

well as government can make equal opportunity a reality for minorities who do not have access to jobs increasingly relocated outside the central city.

Voluntary compliance/affirmative action activities seek to change the way industry and government do business by winning their voluntary compliance with the law. In other words, these efforts preclude some civil rights complaints from ever occurring and seek to convince the public, industry and government that full compliance with the law, without evasion, is the right and the American course to take.

Home financing methods have obvious impact on any program to expand housing options for minorities and women. Moreover, voluntary

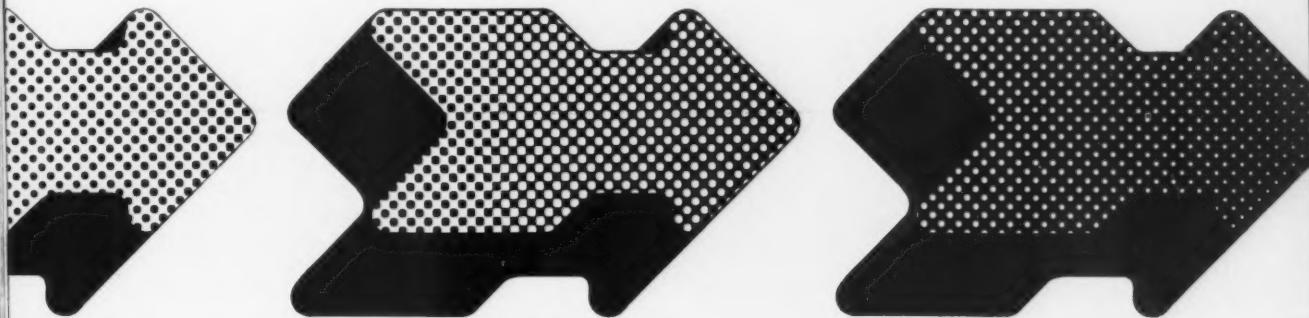
compliance staff, working with financial institutions such as the U.S. Savings and Loan League and the American Bankers Association, encourage development of affirmative action lending programs to get mortgage loans on a more equitable basis. Similarly, the American Life Insurance Association is being encouraged to develop an

associations in the promotion of voluntary affirmative action programming to maximize housing options.

Work continues with the National Association of Realtors to assist them in implementing their established "Code for Equal Opportunity" through an affirmative action program. A similar program keyed to

the Department of Justice to develop affirmative marketing agreements in cases where a company is amenable to voluntary compliance after investigative action by the Department of Justice.

A corporate manual has been prepared which describes experiences of selected corporations in equal housing



industry-wide agreement for affirmative marketing of housing owned or financed by member companies, and an effort is being made to establish loan opportunities of a set-aside nature for transitional neighborhood areas. Voluntary Compliance staff is working with the National Association of Mortgage Bankers to support and implement their "Fair Loan Guaranty Code" on a nationwide basis. Provisions of the code include advocacy of housing loans to minorities and women in localities of their choice, affirmative marketing by builders and developers as a condition for financing and the collection of racial data by Association members. The staff attempts to maintain a continuing relationship with housing industry leaders and professional asso-

rental management is being developed with the Institute of Real Estate Management. Negotiations are underway with metropolitan homebuilder associations and local real estate boards to develop area-wide voluntary affirmative marketing agreements. These agreements are intended to provide an affirmative marketing program for all housing sales and rentals plus affirmative equal employment opportunity practices by all signatory firms and local governments. Two recently developed plans are currently operating in Dallas with 21 builders as signatories, and in San Diego with 15 signatories. Work is in progress to consummate 60 similar plans in other areas by the end of fiscal year 1974.

Interagency Efforts

Liaison activity is maintained with

opportunity efforts. It outlines examples of kinds of services that aid corporate employees in securing housing on a nondiscriminatory basis. Thirty thousand copies are available to principal companies listed with Dun and Bradstreet.

Equal Opportunity staff are closely involved in program development activities with the U.S. Chamber of Commerce and the National Association of Manufacturers to produce equal housing opportunity codes and action plans for each organization. Staff members are working with major national corporations to develop effective company-wide programs.

Responding to a Presidential mandate, voluntary compliance staff provide technical manpower services to

other Federal agencies to encourage affirmative administration of their programs relative to fair housing. A study has been completed and made available on the status of Federal agency programs and activities designed to advance fair housing goals.

Staff consultations and meetings

The Federal Equal Housing Opportunity Council is composed of representatives from 28 Federal Departments and Agencies. It presently meets on a quarterly basis and works with HUD on an ongoing cooperative program to further equal housing opportunity. The Council promul-

gates a three-pronged approach to equal housing opportunity:

• planning of government facility locations to promote housing options for minorities in those agencies not covered by the HUD/GSA Memorandum of Understanding;

• installation of an equal housing locator service for employees; and,

• use of funding authority to further programs and activities designed to promote fair housing.

Small and Minority Businesses

There is also in effect a Minority Contractor Goals Program focusing on the repair of HUD acquired home properties. Under this program, each Area and Insuring Office Director is responsible for establishing annual goals for minority business enterprise participation in the repair of acquired home properties. Goals are expressed in terms of dollar proportions and percentages of the estimated annual total dollar expenditure for residential property repairs.

Additionally, to assist in the expansion and development of profit-oriented small business concerns owned and controlled by eligible disadvantaged persons, the HUD Task Force on Minority Procurement has been organized through the Manpower and Minority Business Division of the Office of Voluntary Compliance.

It is a fact of human behavior that with adequate incentives persuasion often succeeds where attempted imposition is doomed to failure. Builders and developers will affirmatively market housing to minority families. The success of affirmative marketing demonstrates the truth of this statement, and the magnitude of equal opportunity goals in this respect attests to the value of the voluntary approach. It is through the whole new scope of new undertakings by components of the private sector that the new direction of voluntary compliance is receiving its most forceful thrust.

Mr. Davis is Director of the Office of Voluntary Compliance within the HUD Office of Equal Opportunity.

with the Farmers Home Administration resulted in the latter's adoption of affirmative marketing requirements. The Veterans Administration also adopted new requirements for affirmative marketing in its property disposition program. HEW's housing assistance and counseling service is to be instituted in all of its field offices.

A handbook has been published outlining procedures for implementing the HUD/GSA Memorandum of Understanding relating to the provision of low- and moderate-income housing near Federal facilities on a nondiscriminatory basis.



I am in entire agreement with the aims of those who seek to advance the interests of women workers of all races, ethnic backgrounds, ages, income levels and skills; to obtain equal job opportunities for HUD women; and actively to cooperate with others in the accomplishment of those objectives.

It is especially important to observe that HUD efforts of benefit to women go far beyond the office of HUD itself. They reach out in fact to the far corners of the Nation. Specifically, equal opportunity in housing—one of the most important issues of these times—is very important for women. And, of course, we at HUD must propose and administer the Federal policies and programs that provide housing. It has, therefore, been very satisfying these past few months to work on the mortgage credit provisions for women in the new housing proposals. And we will continue to work together as men and women—and as people—to improve the status of women. We are on the right road; we must simply move faster.

*James T. Lynn
Secretary of HUD*



Where women are prevented from gaining their rightful place in the job market and are denied the right to develop their full potential, management suffers an incalculable loss. As Assistant Secretary for Equal Opportunity, I am committed to seeking new means by which to utilize to the fullest capacity all human talent and skills. While women must assert themselves in achieving their professional goals, it is the duty of my office, through the Federal Women's Program, to assure that there are adequate opportunities for change to come about.

Laws will not change deep-seated hostile attitudes overnight. Laws can, however, be used to provide protection for those who are abused, and begin the process of change by compelling the insensitive to re-examine unconscious attitudes. It is then the responsibility of advocacy organizations such as the Federal Women's Program within HUD to develop plans and initiatives designed to insure that equal opportunity for women becomes a reality. And it is the responsibility of HUD to accept those plans and initiatives which will ensure that, both internally—in the treatment of its own women employees—and externally—in the treatment of its clientele, women, now composing over half the U.S. population and more than 40 percent of the U.S. work force, are afforded the same opportunities as men.

*Gloria E. Toote
Assistant Secretary for
Equal Opportunity*

THE FEDERAL WOMEN'S PROGRAM

A HUD PERSPECTIVE

By Mary Pinkard

More than six years ago the Federal Women's Program was established by the Civil Service Commission in response to Executive Order 11375 to assure equal opportunity for women. Under the mandate, which amended Executive Order 11246, every Federal agency was required to establish a counterpart Federal Women's Program. This occurred over one hundred years after the Treasury Department first hired lady clerks at \$600 a year while male clerks received from \$1,200 to \$1,800 for the same job, and just under one hundred years after an 1870 law allowed agencies to hire women for higher clerkships "at their discretion." The Order came roughly eight decades after the 1883 Civil Service Act, which permitted women to compete for Federal job appointments.

In 1969 President Nixon issued Executive Order 11478 to provide for equal employment opportunity for all applicants and employees of the Federal government regardless of race, color, creed, national origin or sex. This Executive Order also integrated the Federal Women's Program into the overall Equal Employment Opportunity program.

Within HUD, a women's committee consisting of representatives of the regional offices and each major organizational unit in the Central Office was formed in 1970, and in the spring of 1972 a full-time HUD Federal Women's Program Coordinator was appointed.

General aims of the Federal Women's Program are now coming to be recognized, respected and accorded a legitimate place in the long list of goals to be accomplished by the Federal government. Goals of the Federal Women's Program as outlined by the U.S. Civil Service Commission in the pamphlet "A Point of View" include:

- recruiting and hiring qualified women;
- placing women in jobs which offer them advancement in line with their abilities and ambitions... opening up the dead-end job;
- counseling women about opportunities and encouraging them to plan a career, rather than drift along;
- encouraging agencies to expand their opportunities for part-time work and to restructure jobs so that women can compete for them on an equal basis with men;
- providing child care for children of Federal employees. (FWP Coordinators work in their communities to support day-care projects. Several agencies have, and

Photos by Joe Barcia





others are starting, experimental pilot programs for the care of their employees' children; existing programs usually are related in a direct way to the mission of the agency.)

- communications among agencies, between women's groups and the FWP and between the FWP and management; (This includes using news media to focus on the program's achievements.)

- developing and using statistical information to assess employment trends and to evaluate progress of women;

- promoting continuing education for employees by arranging work schedules and granting leave to allow participation, and by participating in community efforts to set up adult education courses;

- recognizing the concept of upward mobility at all levels. (This goes deeper than merely helping women who are already qualified for higher work obtain that work; it involves getting women trained to do higher work.)

Special Implications for HUD

Within the Federal Women's Program in HUD we see these internal agency goals as being one part of an equal opportunity effort which we have expanded to include HUD clientele. If the benefits of HUD's programs—housing, insurance, public and community facilities, etc.—are not available equally to women we will have failed in achieving a major part of our goals, and failed a large portion of HUD's constituency.

The Assistant Secretary for Equal Opportunity has responsibility for the administration of Title VIII of the Civil Rights Act of 1968, commonly referred to as the "Fair Housing" Act. Elsewhere in this issue the rights available under that law are discussed. Those rights or remedies are not available to women, however, because the law protects only those who believe themselves to be discriminated against on the basis of race, color, religion, or national origin. It is our experience that approximately 10 percent of the complaints registered over HUD's "hot line" are based on sex or marital status—complaints which HUD cannot process because the law does not prohibit discrimination because of sex or marital status. The Assistant Secretary for Equal Opportunity has recommended the extension of Title VIII to cover such discrimination, making the "Fair Housing" Law really fair and applicable to all victims of housing credit discrimination.

The legal prohibition of discrimination based on sex or marital status is an important tool. It will not, however, by itself eliminate the problems faced by women and young couples entering the housing market, even if accompanied by strong enforcement procedures, since a number of banks have practices that differentiate women from men in similar financial and social positions. However, lending institutions do not really see their policies as discriminatory; rather they believe them to be sound underwriting practices. They regard women as less



reliable debtors; they assume women are temporary workers; they argue that women do not advance as far in their jobs as men, so their earnings potential is less.

Typical of most lenders is the remark of the vice-president of one New England bank: "We do not give weight to a woman's salary, but most often we regard it as a supplement to the husband's income." There is a growing practice among lenders to count all of a working wife's income if she will sign an affidavit that she is practicing birth control under the supervision of a physician or that she is unable to have children. The final indignity visited upon women is the case of the single woman who, in order to obtain a mortgage or a lease, is required to have a male relative as co-signer, regardless of her own financial resources or the state of the male relative's physical, mental or economic health. And a recent survey of forty commercial banks, savings and loan associations and mortgage bankers by the Women's Legal Defense Fund and the D.C. Commission on the Status of Women found only nineteen respondents who said that they would count either alimony or child support as valid sources of income.

The assumptions at work seem to argue that women are not a permanent part of the work force and that women, regardless of their circumstances, will abandon their professions or jobs in favor of marriage and motherhood. These assumptions lead lenders to treat women differently from men in terms of credit and to do this on the basis of rules of thumb which are very crude, differ greatly among lenders, and result in gross inequities toward borrowers.

What seems to influence lenders most is the fact that women are the childbearing sex, and they believe the possibility of pregnancy indicates bad risk. There is a growing body of data that indicates childbearing and childrearing are not necessarily deterrents to income-producing activities. Childbirth and the complications of pregnancy are temporary disabilities having all the significant characteristics of temporary disabilities, and no less liable to reduce family income than a man's heart attack. Yet no lender refuses a man a loan because he may have a heart attack sometime in the future. Moreover, guidelines of both the Equal Employment Opportunity Commission and the Office of Federal Contract Compliance now recognize this and require that employers treat pregnancy as they would any other temporary disability, to be treated as such under any health or insurance policies or sick leave plans available in connection with employment.

Equal opportunity, through HUD's Women's Program, recognizes that the ability to obtain mortgage credit can mean much more to a family than merely the adequacy of its shelter. It can mean living in a decent neighborhood of one's own choice, having access to good community facilities, and even access to decent jobs. Current lending

practices are most frustrating to the aspirations of women and young minority families where family income is most often the result of a working husband *and* wife. We have been concerned about finding ways to persuade lenders to apply the evidence of the available data and arrive at more objective factors for determining risk than have been applied in the past.

Consequently, we are seeking a contract to provide lenders actuarial-type tables based on the most current longitudinal surveys of working men and women. We fully expect these tables to bear out our contention that lenders are presently operating on outmoded and unsubstantiated assumptions in appraising the income of women borrowers. We see this work as an affirmative tool, complementary to the hoped-for amendment of Federal law and consequent compliance activity.

If the tables do no more than place maternity in a proper perspective vis-a-vis family income or employment, they will have been worth the time and expenditure.

Special In-House Concerns

With regard to in-house issues, the HUD Federal Women's Program has recently been focusing on two areas which have the potential to make a significant impact on equal employment opportunity for women in HUD:

Part-Time Employment: For career women who cannot work full-time because of family or other responsibilities, the part-time program is a vehicle to bring talented and educated persons into the Federal government where their skills can be used. HUD's own Circular (300.2)—“Part-Time Employment of Professionally Trained Women by HUD”—dated June 11, 1968, states that “As an employer of professional talent, the Department of Housing and Urban Development will profit by tapping this reservoir of professional skills which would otherwise be lost to the Department, and which will measurably assist in filling long-term needs.”

Changes are slowly occurring in the use of part-time employees. For example, at least three major universities—Harvard, Stanford, and Princeton—are offering opportunities for part-time academic careers with all the regular tenure and benefits. And while little research has been done on the productivity of part-time workers, at least two general studies are in existence. In one case the Massachusetts Department of Social Services hired 50 part-time case workers to fill 25 full-time jobs. After one year the new employees were said to average 89 percent of the productivity of their full-time colleagues. Furthermore, their turnover rate was only one-third of that of the full-time workers. And in another survey, members of HEW's Professional and Executive Corps (part-time career employees) were evaluated in 1971 by the Department's Office of Personnel and Training in conjunction with Washington Opportunities for Women. Of 22 women rated, 17 were considered by their supervisors to have made a special contribution or to have brought a special

skill or talent to the work situation; 11 were considered more productive, eight were rated equally productive, and one less productive than comparable full-time employees. Nineteen of the supervisors said they would hire another part-time worker, and 20 favored recruitment of men as well.

The Federal Women's Program recently sponsored a meeting of Central Office part-time employees to discuss their mutual interests and concerns, and is working to increase the overall number of part-time persons in HUD. As a method for bringing competent professional women into government, the part-time program is one of the most effective ways available to management.

Child Care For Federal Employees: The provision of day care for the children of Federal employees is a concern expressed officially in several government issuances. Civil Service Bulletin No. 171-405, dated October 30, 1973, states that child care centers are an area of concern to the FWP Coordinator. Also, the position description of the FWP Coordinator for HUD Headquarters states that the Coordinator, “advocates and designs programs addressed basically to the needs of women, such as... day care.” And further, Federal Personnel Management Bulletin No. 713-12 suggests that equal opportunity plans show “sensitivity to accommodate to special needs of women... e.g., day care centers.”

The HUD FWP is working to support the efforts of the HUD women's caucus, recreation association, and employees' union to develop a child care center for HUD employees. Reliable child care arrangements will help the Department assure a more responsible and productive work force, freed from the strain of coping with unreliable, inadequate or even harmful care for children.

The FWP is one of the things going for women today—helping them make progress in the Government and helping to free their skills to bring about a better society for all men and women.

*Mrs. Pinkard
is Coordinator
of HUD's
Federal Women's
Program.*



THE FEDERAL WOMEN'S PROGRAM

THE VIEW FROM THE REGIONS

James J. Barry,
Regional Administrator
Boston, Mass.

"By providing a channel for the expression of women's concerns in the areas of training, upward mobility and personal development, the Federal Women's Program (FWP) has effectively stimulated positive action. By focusing attention on existing opportunities and encouraging the establishment of new programs, the FWP is a visible and constructive catalyst in the important movement to upgrade the status of women in Federal employment."

S. William Green,
Regional Administrator
New York, N.Y.

"The Federal Women's Program is yielding spectacular results, judging from the advancement of women to positions of high rank and heavy responsibility in this Region. The more notable examples of women in responsible Federal positions include a Director of Operations, Director of Housing Management, Director of Equal Opportunity and executive sec-

retary of the N.Y. Federal Regional Council. These examples typify the splendid contributions women make to the progress of various Federal departments and agencies of the N.Y. Region."

Theodore Robb,
Regional Administrator
Philadelphia, Pa.

"In Region III, we have many signs of the success of our efforts to achieve the goals of the Federal Women's Program. Emphasis has been placed on every aspect of our hiring and promotion activities. Some of our female "graduates" of recent intern groups have climbed swiftly up the career ladder both in and out of government. Equal Opportunity for women enjoys a high priority in Region III and will continue to do so."

E. Lamar Seals,
Regional Administrator
Atlanta, Ga.

"I am extremely pleased by the fact that the Women's Program is beginning to receive so much deserved interest by this Department. I

give my wholehearted support to the objectives and the development of the Federal Women's Program in Region IV."

George Vavoulis,
Regional Administrator
Chicago, Ill.

"I view the Federal Women's Program as an opportunity—an opportunity for me and my staff to be realistic about the employment problems that women are facing and the attitudes that brought about these problems. The Program is a chance to allow statistics regarding the employment of women to speak for themselves and to admit that sex discrimination does exist. However, the aim of the Program is not only to admit to problems, but to set forth action to break through these problems. The responsibility for positive actions and attitudes is the responsibility of each and every employee in Region V."

Richard L. Morgan,
Regional Administrator
Fort Worth, Tex.

"We look to 1974 as the year we



James J. Barry



S. William Green



Theodore Robb



E. Lamar Seals



George Vavoulis

can make significant strides in our Women's Program. With upward mobility as one of the Region's and the women's primary goals, training becomes the key to achievement. We look to the women to share in the development of the Region's goals and objectives and we feel that positive steps are being made so that we can all work together for the effectiveness of the Department and the accomplishments of the individual employee."

**Elmer E. Smith,
Regional Administrator
Kansas City, Mo.**

"Since the inception of the Federal Women's Program with a pilot project in the summer of 1971, its importance for the women of Region VII has grown. Through the efforts of the FWP Coordinator, one program increased from a 6 week pilot project to a 12 week continuing education certificate course given in cooperation with the University of Missouri at Kansas City. The women see the program as a vehicle through which they can become more aware

of their community's problems, more knowledgeable of HUD programs, and develop a new sense of direction and purpose in their present positions."

**Robert C. Rosenheim,
Regional Administrator
Denver, Colo.**

"I see the Federal Women's Program as an effective tool for good management, which recognizes that it is important to use all talent available to its highest capacity. Women have a great deal of ability which is not being fully utilized in our Region. We are beginning to reverse this situation through utilization of all employees. I see the FWP Coordinator and Committee as a liaison between women employees and management... We are trying in our Region through the FWP to create more awareness of women's issues and problems."

**Robert H. Baida,
Regional Administrator
San Francisco, Calif.**

"We do not have enough women in top jobs, even though they have held many key ones, such as Deputy

Area Director in Los Angeles, Model Cities Officer, Special Assistant for the Regional Council, and Chairperson of the Regional Council's Equal Opportunity Inter-Agency Programming Committee. Women also make up a number of attorneys and program representatives, to name just a few. Among our own EO priorities are programs for upward mobility training, and employment and upgrading of a larger percentage of women for responsible positions."

**Oscar Pederson,
Regional Administrator
Seattle, Wash.**

"The Federal Women's Program has made a good start in Region X. Women employees are being given full consideration for professional positions as they become available. Women have filled such positions as Personnel Director, Relocation Specialist, Director of Reports and Statistics and others of equal importance. Proper recognition of our women employees is long overdue and I intend to see that we continue with a positive program in this area."



Richard L. Morgan



Elmer E. Smith



Robert C. Rosenheim



Robert H. Baida



Oscar Pederson

Rivers in the City, by Roy Mann. Praeger, New York, 1973. 256p. \$20.00.

River Ecology and Man, edited by Ray T. Oglesby, Clarence A. Carlson, and James A. McCann. Proceedings of an International Symposium on River Ecology and the Impact of Man, held at the University of Massachusetts, Amherst, Mass., June 20-23, 1971. Academic Press, New York, 1972. 465p. \$11.50.

Rivers in the City is essentially an annotated picture book, illustrating with fifteen examples, how cities, old and new, in Western Europe and the Eastern United States, have disastrously mismanaged or carefully guarded the river to which, in many cases, they owe their existence and on which they depend for part of their livelihood as well as for their recreation. This timely expository study of Florence, Venice, Amsterdam, Paris, Lyon, Zurich, London, the Ruhr region, Rotterdam, Tyneside, Washington, D.C., Boston, and New York, demonstrates, if demonstration is needed, that the roots of environmental abuse are ignorance and greed.

The lag between economic-technological development and public understanding is nowhere more conspicuous than in the diversion of the Arno River from Pisa to destroy its Mediterranean trade, planned by none other than Leonardo da Vinci in the service of Florence. Or, the flooding and deterioration of Venice through unfettered industrial growth on the other bank of the lagoon; or, the environmental destruction of the banks of the Tyne and Hudson rivers by intensive commercial and industrial abuse. Short-term profits, if not restrained, lead not only to the deterioration of the river, but of its banks on which the cities depend for their growth and recreation.

On the plus side, we are shown the clever and sensible planning of Rotterdam where existing waterside areas were set aside for the preservation of the past and its integration with the present; and where entire river landscapes serve as open spaces between urban areas.

In his plans for Washington, D.C., L'Enfant was well aware of the importance of both the integration and juxtaposition of city and river, but he provided no clear concept for the treatment of the river's banks. Fortunately, subsequent Senate committees remained well aware of the significance of the development of the Potomac's banks as parkland, so that the number of commercial and industrial abuses, such as the elevated tracks of the Pennsylvania railroad and the Georgetown section of the riverbank, remain as rather isolated, and, probably, recoverable dark spots on an otherwise bright

picture of one of the most beautiful cities in the world.

The book focuses on the riverine lands, its inhabitants, and the river as a unique urban corridor that cannot, and should not, be cut up for highways and industrial plants to the detriment of future generations. Roy Mann, the author, is the president of his own firm of environmental planners, and a consultant to the U.S. Government. His book gives no statistics on pollution or the primary aspect of the river—its water quality. This is the subject of *River Ecology and Man*.

This symposium was the forum for scientists and engineers of various disciplines brought together by a common interest—the influence of man on river systems in different parts of the world. Case histories of specific rivers such as the Columbia, Delaware and Illinois in the United States, the Nile, Danube and Thames in Africa and Europe, highlight economic, environmental and political problems of their management or mismanagement. The fauna and flora, chemical composition, geomorphometry and other aspects of rivers in interaction with man are explored in depth.

Divided into four parts, or sessions, the symposium starts with the deceptively innocent query "What Is a River?" and ends with "Rationalization of Multiple Use." Thus there is a wide spectrum of interest to choose from for the reader, be he or she a fisherman or fish biologist, riverine historian, planner or water quality manager. The papers are enhanced and supported by graphs, illustrations and extensive bibliographies.

We learn of concerted efforts to avoid and heal the damage inflicted on our rivers that have been successful or are expected to be so within the foreseeable future, and of the enormous task still lying ahead in initiating or strengthening attempts to prevent further pollution of these lifelines to our very existence.

River authorities and commissions, crossing boundary lines of countries and states, have been formed and have done their share in halting or alleviating abuses, but much more is needed in well-defined laws which should not be relaxed no matter what the emergency or reason. Our rivers are finite resources and if not properly managed, will become useless and foul arteries unable to sustain life within and near them.

This book is part of a series on the environmental sciences and thanks to the three eminent editors it is informative and stimulating not only for the specialist but the layman as well.

—Mary Ann Freudenthal
HUD Reference Librarian

Flood Disaster Protection Act of 1973

By George K. Bernstein



"The Flood Disaster Protection Act of 1973 will call upon owners of property in flood-prone areas to purchase flood insurance if they are to benefit from financial assistance for their property from the Federal Government or from any federally insured, regulated, or supervised lending institution. It will also encourage forward-looking local officials to adopt and to enforce adequate and appropriate land use and other control measures to reduce the probability of losses resulting from floods."

Enacted by Congress last December with little or no public attention, the Flood Disaster Protection Act of 1973 may well have a dramatic impact on the way we Americans use or abuse our flood-prone land for construction purposes in the future.

This new law will also permit us to improve our post-disaster assistance program by substituting insurance indemnification—speedy, direct, and with minimal red tape—for the current system of disaster loans, a system which often adds to the financial burdens for distressed disaster victims rather than alleviating them."

*—President Richard Nixon
Remarks at signing of the Flood Disaster Protection Act 1973.*

An important facet of the Act is that it extends the original Federal Flood Insurance Program of 1968, offering much more generous limits of coverage to protect buildings and their contents from flood losses. The already modest subsidized rates for flood insurance were

lowered by the Federal Insurance Administration to make flood insurance cheaper.

Viewed in its totality, the legislation accomplished much more than that. There are an estimated 15,000 flood-prone communities in this country. The Act is designed to call a halt to the all too prevalent practice in many of these communities of building indiscriminately on hazardous areas. In that respect, it constitutes one of the most comprehensive Federal land use measures ever adopted by the Congress.

The 1973 Act imposes two new requirements, one on

flood insurance a more attractive investment to the property owner than ever before. It isn't difficult to purchase. First, your community must become eligible for the subsidized program. It does so by filing an application with HUD certifying it has adopted certain minimum land use measures to avoid future losses from flood damage in its flood-prone areas.

Once the community's application is accepted, you can obtain a policy from any licensed property and casualty insurance agent or broker. And if disaster strikes, you can collect to the extent of your coverage, just as



communities, the other on individual property owners. By July 1, 1975, all communities identified as flood-prone must enter the flood insurance program or be ineligible for Federal loans, grants or other assistance for projects in flood-prone areas. And property owners in the designated flood hazard areas of those communities where flood insurance is available must purchase it as a condition for future Federal assistance.

In other words, those individuals who decline to protect themselves with flood insurance will not be eligible for an FHA or VA mortgage, a loan from the Small Business Administration, or for that matter any form of federally-related assistance to rebuild or rehabilitate a flood-damaged home or place of business.

As of December 31, 1973, 2,856 communities had enrolled in the program; however, relatively few policies had been sold in the communities—pointing up the fact that the original voluntary program just didn't do the job it was intended to do.

Low Rates and Broadened Coverage

The new low rates and broadened coverage make

you would with any other policy. It is a much less cumbersome process than it would be if you were to rely on the often inequitable system of Federal disaster loans, which may add to, rather than alleviate, your financial burden.

Flood Damage Hazard Mounts

In recent years, the Federal Government has spent many billions of dollars to indemnify flood victims for property losses and to construct flood protection works. Yet, annual flood losses have continued to increase, largely as a result of the uneconomic use of the Nation's flood plains. As shown in a HUD study requested by the Congress, the hazard of flood damage has mounted as increasing numbers of people have moved to coastal and river locations, whether for recreation, for business, for housing, or for other purposes. In addition, unwise development, reflecting ignorance or indifference, and sometimes an overestimation of the flood protection actually provided, increased the demand for property in flood-prone areas, thus setting into motion processes whereby flood damage was accelerated.

Another of the study's major conclusions is that many people in high flood risk areas are seriously uninformed about the risks of flooding to which they are exposed, or that they are grossly over-optimistic about the chances that their property will not be flooded, or else that they expect public help to bail them out when the inevitable flood disaster strikes.

The prevailing attitude of many local officials and citizens in these communities is that floods "can't happen here." Such was the case in Wilkes-Barre, Pa., where only two flood insurance policies were in effect at the time of *Hurricane Agnes*. Many communities along the Mississippi River and the Great Lakes were not yet eligible for flood insurance last spring when flood waters were at their peak. The conditions this year are just as threatening, and although a number of Great Lakes and Mississippi River communities have joined the program in the past year, there are still many that have not provided flood insurance protection to their residents.

It is now clear that we can no longer tolerate the losses of lives and property that result from the unwise and unrestrained use of our flood plains. In recognition of that fact of life, Congress passed the 1973 Act, which improves the original program by:

- at least doubling the limits of insurance coverage
- extending the emergency program for two more years, thus assuring that individuals and communities can continue to obtain flood insurance that would otherwise be unavailable.
- removing the limit on the total amount of insurance which can be written by the program.
- creating incentives for flood-prone communities to enter the program and thereby make insurance available to their citizens.
- requiring insurance on all federally assisted construction in flood-prone areas.
- accelerating the completion of rate studies for flood-prone communities.
- establishing an explicit procedure for communities wishing to appeal HUD determinations regarding their eligibility and participation in the program.

With these measures the National Flood Insurance Program offers protection for hundreds of thousands of people in flood-prone areas. Communities will strengthen their commitments to flood loss prevention efforts, thus lessening the disastrous results of flooding and easing the burden on the taxpayers.

Insurance Coverage and Limits

Under the Flood Disaster Protection Act of 1973, subsidized premium rates are available for flood insurance on all construction begun by December 31, 1974, or the date when the Federal Insurance Administration publishes maps based on detailed rate and elevation studies, whichever is later.

For all construction begun after that date, the full actuarial rate applies, which may be five to ten times as

high if the structure is not properly elevated or flood-proofed.

The accompanying table shows the new limits of coverage and the reduced subsidized premium rates. Additional amounts of coverage, double the limits shown in the table, are available at actuarial rates in communities where rate and elevation studies have been completed.

The flood insurance policy covers property losses resulting from a general condition of flooding, from erosion caused by abnormal water levels and similar unforeseeable conditions, and from mudflows.

Type of Structure	Limits of Coverage and Subsidized Rates			
	Structure Coverage	Structure Rates	Contents Coverage (per unit)	Contents Rate
Single family residential	\$ 35,000	\$0.25	\$ 10,000	\$0.35
All other residential	\$100,000	\$0.25	\$ 10,000	\$0.35
All nonresidential*	\$100,000	\$0.40	\$100,000	\$0.75

(*includes hotels and motels with normal occupancy of less than six months)

Requirement to Purchase Flood Insurance

Just as fire insurance is generally required in connection with all mortgages, the Flood Disaster Protection Act of 1973 requires the purchase of flood insurance in connection with any form of Federal financial assistance for acquisition or construction purposes for projects within special flood hazard areas identified by HUD and made eligible for flood insurance. The project must be protected for its full development cost (less land cost) or the available limit of coverage, whichever is less.

In addition, the Act directs each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions to issue regulations requiring that persons receiving mortgage loans, approved by such institutions after March 1, 1974, must also purchase flood insurance if the property securing the loan is to be located within an identified special flood hazard area of a community which is eligible for flood insurance. The requirement affects all new loans, as well as modifications of outstanding loans, but not existing loans for which no new approvals or changes in conditions have been requested.

With this requirement of the 1973 legislation, the Federal Government takes the stand that for public policy reasons it will no longer finance directly or indirectly any project within a known flood-prone area that is not subject to the proper building safeguards.

Undue Hardships Avoided

In order to assure that no undue hardship will result to builders from the insurance purchase requirements of

the legislation, a grace period until December 31, 1974, is provided to defer the application of actuarial premium rates for new construction. However, State and local officials are urged to make clear to their citizens the very serious additional flood hazards that can be incurred by needlessly building at elevations that have been shown by Federal studies to be inadequate and unsafe. Each local builder must ask himself if the small saving in the initial cost of construction that can result from the use of a lower elevation is really worth the greater hazard to lives and property that the lower elevation entails.

The requirement for the purchase of flood insurance also applies to Federal disaster assistance loans or grants for permanent repair or reconstruction after a catastrophe. Flood insurance will be required as a condition of such assistance, even if a flood is not the cause of the disaster.

State-owned property adequately covered under an existing State insurance fund would not be affected.

Repeal of Disaster Assistance Penalty

The new legislation repeals Section 1314 of the National Flood Insurance Act of 1968, which would have denied disaster assistance to those who could have purchased flood insurance for a year or more but did not do so. Section 1314 was inequitable because it penalized residents of communities participating in the National Flood Insurance Program, while residents of non-participating communities were not denied disaster relief.

Section 1314 is replaced by the 1973 Act's requirement for the purchase of flood insurance and the denial of any Federal assistance for projects in flood-prone areas after July 1, 1975, when the community is not participating.

Notification to Flood-Prone Communities

Under Section 201 of the 1973 Act, the Secretary of HUD is required to notify flood-prone communities of their tentative identification as such, following which the community must either make prompt application for participation in the program or satisfy the Secretary that it is no longer flood-prone. The Secretary would have the option of holding a public hearing where conflicting data exist, but his conclusion in the matter would be final.

Communities with identified flood-prone areas are required to participate in the flood insurance program by July 1, 1975, or be denied both Federal financial assistance for acquisition or construction purposes and Federally-related financing by private lending institutions for use in areas identified by HUD as special flood hazard areas.

The "teeth" of the legislation are contained in this provision. After July 1, 1975, taxpayers throughout the Nation will no longer be subsidizing construction in the flood-prone areas of communities that do not take the necessary measures to avoid or reduce flood damage. A municipality will no longer be able to be controlled by self-interest groups who want to develop every inch of

available land, ignoring the hazards and endangering lives and property, and then expecting the Federal Government to pick up the tab.

For the first time every flood-prone community in the Nation will be required to guide new construction so as to minimize flood losses. This legislation will bring about a nationwide application of the principles of flood plain management. Every flood-prone community will be required to implement and enforce wise land use practices with respect to its flood-prone areas.

Individuals in every flood-prone community will also be eligible to protect their property by purchasing Federal flood insurance. In the event of flood damage, they will quickly be reimbursed for their losses.

Eventually flood insurance will replace Federal disaster relief for most flood occurrences, thus reducing the demands on the Federal Treasury. Property owners in flood-prone areas will be contributing to their own protection, and will be more fully indemnified (without having to repay a Federal disaster loan) when the inevitable flood loss actually occurs.

Consultation with Local Community Officials

The Act establishes explicit appeals procedures for both individuals and communities desiring to challenge the Secretary's proposed determinations relating to minimum construction and elevation standards, and sets out the scope of judicial review of such determinations.

The Act assures to individuals and the community a full opportunity to be heard and to appeal, if aggrieved. It sets forth a comprehensive system of providing actual notice to persons affected by elevation determinations not only through publication in the Federal Register, but also through direct notification to the chief executive officer in the community and publication of proposed determinations in a prominent local newspaper.

Summary

The sanctions contained in the Flood Disaster Protection Act of 1973, as they relate to non-participating communities, do not apply until July 1, 1975. However, the threat of serious flooding in 1974 is already great. Communities are, therefore, urged to enroll in the National Flood Insurance Program now, so that protection can be purchased by residents before the damage is done.



*Mr. Bernstein
is Federal Insurance
Administrator.*

"Women continue to face inequities as they seek a broader role in the life of our Nation.

"In recent years, we have made significant progress toward remedying this situation, not only by striking down barriers to the employment and advancement of women in Government, but by ending discriminatory practices in other fields through legislation, Executive order, and judicial decree. Even when legal equality is achieved, however, traditional discriminatory attitudes, beliefs and practices may persist, preventing women from enjoying the full and equal rights that they deserve.

"This Administration is committed to providing an opportunity for women to participate on an equal basis with men in our national life. We support the Equal Rights Amendment, we are moving vigorously to ensure full equal employment opportunity for women in the Federal service, and we are enforcing the law requiring similar efforts in business and institutions which receive Federal contracts or assistance."

—President Richard Nixon
*Proclaiming 1975 as International Women's
Year in the U.S.*

"When I look at family formation figures on the charts, at the basic strength of our economy, at its capacity to create more and better jobs (with all that means to the prospects for better housing) and at your demonstrated ability to provide that housing, I perceive promise for a high level of housing construction, not just for the balance of this decade, but also into the 1980's. And I pledge to the people of this country, and to you today, that as Secretary of HUD, I will do my utmost to help."

—HUD Secretary James T. Lynn
Speaking to National Association of Homebuilders

"Our economic outlook is going to have to change from a worship of GNP to an intelligent and realistic determination of priorities in the use and development of resources. Change is already under way. Detroit—the new car city—knows it. Certainly the National Association of Home Builders has felt it; it is exemplified by the 'no growth' movement you are all so well aware of. Indeed, all of us are beginning, however reluctantly, to make adjustments to a new reality. We are learning about the Law of the Constant Variable: 'Change is the only thing that remains constant.'"

—Sheldon B. Lubar, HUD Assistant Secretary
for Housing Production and Mortgage Credit

"There is no national norm for housing, as formerly believed or sought; areas vary in problems and potential solutions and programs must be devised and administered locally, with a mix of answers."

—Ada Louise Huxtable, *Architecture Critic*
reviewing "America's Housing Needs: 1970-1980"

"Because of the energy crunch, this country has a golden opportunity to do a lot of things that were too controversial to tackle up to now, such as lowering speed limits, encouraging the building and use of mass transit, finding ways for environmentalists and industrialists to coexist, and stopping the ever-lasting waste of precious fuels and energy."

—James M. Windsor, *Executive Vice President,*
Oil Heat Institute of Greater Washington (D.C.)

"It is probable that every state will eventually adopt some kind of environmental protection code. What will in all likelihood be required for any new construction project is an environmental impact statement outlining adverse and beneficial effects of the proposed development on people, animals, fish, and vegetation in the area. An impact statement will also have to suggest ways to avoid or minimize adverse environmental effects and indicate alternatives to the proposed action. The specific alternative of 'no project' will always have to be evaluated. Consequently, developers should make an environmental impact study at the earliest possible date in a project's planning to avoid commitment of funds for an unfeasible project."

—Real Estate Law Report, *Boston, Mass.*

"The environmentalist seems to want no construction because he only talks about those projects that in his view are detrimental to air or water quality, wildlife, or other degradation of the environment. The construction viewpoint is that technology made this country great so step aside and let me get on with the job. The result is usually a highly vocal, bitter confrontation that is costly to both sides.

"Marketing cannot proceed on a smooth basis with environmental issues questionable. Perhaps when least expected, they could rise up and halt the entire project. The answer is not to destroy the conservationist but rather to win him over by taking a positive look at controversial problems."

—James W. Hudson
Systems Building News

Counseling

Management's Best Tool

By Thomas Jenkins



The HUD Office of Equal Opportunity maintains an appellate record of all cases which fall within its jurisdiction. The record includes an index of matters alleged to be the basis of complaints. While the diverse allegations have been categorized under many headings, it is a matter of record that most allegations (including those settled informally) have their basis in the lack of counseling.

Much has been said about the counseling of employees and definitions of the word "counsel" have sometimes meant to "chew out," "to bawl out," "to berate" and a few other words meaning criticism of employees. These connotations have emerged because all too often the only time a supervisor takes the time for a private chat with an employee is when the employee is guilty of some error in work performance or conduct. Because the positive values of supervisor/employee counseling are either seldom taught, seldom used or not understood, counseling has become identified as punitive or a form of disciplinary action. No dictionary defines the

word "counsel" with a meaning equating disciplinary action. Rather counsel implies mutual consultation or deliberation—the lack of which all too frequently creates a deadly cesspool for the stifling of individual motivation and initiative that affects employees and management alike.

To understand the importance of counseling as a tool of management, we must clarify the role of management. One theory of traditional or conventional management is articulately summed up by Douglass Murray McGregor of the Massachusetts Institute of Technology, who wrote:

"Management is responsible for organizing the elements of productive enterprise... money, materials, equipment, people... in the interest of economic ends."

"With respect to people, this is a process of directing their efforts, motivating them, controlling their actions, modifying their behavior to fit the needs of the organization."

"Without this active intervention by management, people would be passive... even resistant... to organizational needs. They must therefore be persuaded, rewarded, punished, controlled... their activities must be directed. This is management's task... in managing subordinate managers or workers. We often sum it up by saying that management consists of getting things done through other people."

McGregor's delineations of the theory were made so that the concepts which have been proven to be fallacies could be readily identified. Those concepts which have been proven wrong are those pertaining to people with the exceptions proving to be the rule. While these exceptions are many, noted motivators of people have substantiated the fact that people are moved by different factors. Freud emphasized comfort-seeking and life-preserving as a motivator. Adler's experience produced his finding that some people are motivated by the desire to gain power over others. Stanley Schachter of the University of Minnesota delved extensively into what he termed the "affiliation motive." Schachter has written that the urge to affiliate can be traced to boredom and the feeling of ineffectualness in routine repetitive jobs perhaps more readily than it can be traced to the sign of good fellowship. William F. Whyte has devoted some time to the study of money as a motivator. While its value as a motivator definitely exists, its usefulness varies and is far less of a stimulant to employee productivity than is generally believed. This finding can be supported by the considerably less industrial emphasis on suggestion and award programs. There, motivation and productivity are married by the "bonus bond" on a continuing basis. David C. McClelland of Harvard University has directed considerable research into what is called the "achievement motive." The McClelland group is convinced that almost every person possesses a certain amount of achievement motivation and that a sense of achievement is perhaps one of the most significant of people motivators. Personal challenge, the opportunity to use mental or physical capacities to peak output levels, is a stimulus to those who are achievement oriented. The repetitive and the routine offer little challenge to what appears to be the largest group in our society. Those who possess achievement motivation to a greater extent are most likely to rise to positions of greater power and responsibility.

Because there is much that bears out the fallacy of concepts held by traditional and conventional management, McGregor has further written:

"People are not passive or resistant to organizational needs. They have become so as a result of experience in organizations."

"The motivation, the potential for development, the capacity for assuming responsibility, the readiness to direct behavior toward organizational goals, are all present in people. Management does not put them there. It is a

responsibility of management to make it possible for people to recognize and develop their human characteristics for themselves."

"The essential task of management is to arrange organizational conditions and methods of operation so that people can achieve their own goals best by directing their own efforts toward organizational objectives."

"This is a process primarily of creating opportunities, releasing potential, reviewing obstacles, encouraging growth, providing guidance. It is what Peter Drucker has called 'Management by Objective' in contrast to 'Management by Control.'"

It can be safely stated that unless there is some relationship of the capacity and motivating forces within a person to the job he performs, there simply will not be the level of productivity which might be assumed. When there is the greatest incompatibility between person and job, there is most likely to be less than satisfactory work performance or less than satisfactory behavior, or both.

Employee behavior begins with the oral interview that leads to his employment. The next point of perception is at the time of actual employment; a meaningful interview and the expeditious handling of appointment papers, leave, transfer, and employee benefits create an immediate respect for management. If the reverse is displayed, the new employee has clue number one that efficiency is not a prerequisite for acceptable work. Orientation can be a significant work experience, wherein the new employee not only becomes acquainted with the nature of the work to be performed and how his (her) work relates to the total effort, but an experience in which he becomes acquainted with what is meant by acceptable conduct. If orientation is only a learning experience on the job from the teaching of other employees, management has simply removed itself from prescribing any formal organizational standards. If first line supervision makes an honest effort to counsel a new employee, management has achieved respect and, initially, reasonable responses to direction. If first line supervision is insincere—an artificial veneer lasts a very short while—the foundations for mediocrity are in place. Management, through first line supervision, either contributes to the success of an employee or contributes to work and behavioral delinquencies. If we are to have effective "Management by Objective," conservation and proper utilization of employee energy, and the delivery of an acceptable and usable product, we must use all the tools at our disposal. Since the mission of this Department is people oriented and its success is dependent on individuals, it is mandatory that we use counseling to reduce the index of failure.

Mr. Jenkins is Acting Deputy Assistant Secretary for Equal Opportunity and Director of the Office of Management and Field Coordination within the Office of Equal Opportunity.

RECENT HUD REGULATIONS AND ISSUANCES ON FAIR HOUSING AND EQUAL OPPORTUNITY

Within the past few months HUD equal opportunity requirements and guidelines have been developed that will affect the poor and minorities in such areas as job opportunities for project area residents; marketing and tenant selection in low-rent public housing; fair housing activity of corporate employers; and equal benefits for minorities from housing and community development funding.

Section 3: Opportunities for Project Area Residents

All applications filed with HUD on or after November 23, 1973, are subject to new Departmental regulations implementing Section 3 of the Housing and Urban Development Act of 1968. The regulations provide that any recipient of HUD funds or contractor doing work on a HUD-assisted project must submit an affirmative action plan outlining goals and methodology for the utilization of project area businesses.

The regulations also require HUD recipients and contractors to establish a goal for employment of lower income project area residents and, to the extent possible, to fill all vacant training positions with such area residents.

Marketing and Tenant Selection in Public Housing

Since February 25, 1972, all FHA developers have been required to attract applicants of all racial and ethnic groups to their developments through the use of minority newspapers, the equal housing opportunity logo, and notice to community groups. Although the full impact of the affirmative marketing program is

yet to be measured, preliminary indications are that almost two-thirds of new subdivisions and almost three-fourths of multifamily projects have mixed occupancy, a very substantial improvement over previous HUD experience.

In Turnkey III regulations published by the Department on October 9, 1973, affirmative marketing requirements were extended to public housing for the first time. Local Housing Authorities are required to utilize outreach efforts in advertising homeownership opportunities. The current regulations establishing the new Section 23 Housing Assistance Payments Programs require that both private developers of new housing under the program and local housing authorities utilize affirmative marketing techniques to recruit families who will receive housing authority subsidies while occupying privately owned units. The Section 23 programs also fully incorporate all other applicable equal opportunity requirements, including opportunities for project area residents, nondiscrimination in construction employment, and nondiscrimination in the terms and conditions of rental.

Corporate Employers' Responsibilities in Fair Housing

When an employee cannot join a new company because the surrounding community refuses to sell him the home of his choice, a corporate employer discovers that his equal employment responsibilities are inextricably linked to equal housing opportunity. To identify for corporate employers and indicate how they can establish open housing in

their communities, HUD has published *Equal Opportunity in Housing: A Manual for Corporate Employers*.

The manual suggests a variety of appropriate company actions, such as housing services to employees, aid to open housing centers, direct negotiation with real estate brokers, and joint action with other corporations. The book describes the successful experience of companies that have taken such actions.

Equal Benefits for Minorities from Housing and Community Development Funding

Over the past decade, much has been learned about how to insure equitable benefit from HUD programs. For example, through HUD review of each project, an effort has been made to insure that some subsidized housing be built outside areas of minority concentration and that water and sewer projects not deny service to minorities. In the planning programs, applicants have been required to address issues such as exclusionary zoning, transit systems, relevant local services, and other equal opportunity concerns.

This topic is covered succinctly in a new HUD handbook, *Guide to Planning and Management for Equity in Housing and Community Development*. It includes 25 appendices comprised of examples of creative actions taken by citizens and by local, State, and regional governments. The handbook is applicable to programs currently funded and is expected to be a primer for governments in their planning and budgeting of special and general revenue sharing funds.

PROPOSED HUD BUDGET, FISCAL YEAR 1975

	ACTUAL 1973	ESTIMATE 1974	ESTIMATE 1975
DEPARTMENTAL TOTALS			
(Dollars in Millions)			
Appropriations	\$4,291.8	\$3,476.0	\$5,118.0
Budget Authority	\$5,222.8	\$4,536.3	\$6,197.3
Budget Outlays	\$3,592.3	\$4,983.3	\$5,550.2
Contract Authority Available for Assisted Housing	\$543.0	\$311.5	\$721.0
Appropriations for Assisted Housing Payments	\$1,800.0	\$2,020.0	\$2,425.0
Units Under Payment	1,768,115	2,063,000	2,351,000
HUD-Assisted Housing Starts			
Fiscal Year	240,022	187,400	285,070
Calendar Year	197,502p/	202,510	N.A.
Full-time Employees in Permanent Positions	15,971	14,775	14,156
p/ Preliminary			
N.A. - Not Available			

APPROPRIATIONS AND BUDGET AUTHORITY (Dollars in Thousands)

Major Elements of Appropriations:			
Better Communities Act			\$2,300,000
Payments for Assisted Housing	\$1,800,000	\$2,020,000	2,425,000
Comprehensive Planning Grants	100,000	75,000	110,000
Research and Technology	53,000	65,000	70,000
Flood Insurance Program	10,000	20,000	35,000
Fair Housing and Equal Opportunity	9,489	9,802	11,900
Urban Renewal Programs	1,450,000	600,000	...
Model Cities Programs	500,000	150,000	...
Open Space Land Programs	100,000	25,000	...
Rehabilitation Loans	70,000
Proposed Supplemental Appropriations for Restoration of Losses		373,597	...
All Other Appropriations a/	199,324	137,629	166,125
Total Appropriations	4,291,813	3,476,028	5,118,025

a/ Consists primarily of appropriations for administrative expenses and for participation sales insufficiencies.

BUDGET OUTLAYS (Dollars in Thousands)

Major Elements of Budget Outlays:			
Housing Payments	\$1,608,426	\$1,888,000	\$2,263,000
Urban Renewal Programs	992,362	1,125,000	1,100,000
Mortgage Insurance Program:			
FHA Fund	878,991	1,086,306	969,313
Mortgage Sales	46,200
Better Communities Act			560,000
Special Assistance Functions:			
Mortgage Sales	395,200	...	200,000
Other net outlays or receipts	194,209	-148,090	197,823
Management and Liquidating Functions:			
Mortgage Sales	622,600	...	-100,000
Other net outlays or receipts	130,459	-64,735	-59,045
Model Cities Programs	590,024	580,000	220,000
Comprehensive Planning Grants	75,765	110,000	118,000
Water and Sewer Grants	156,533	160,000	160,000
Open Space Land Programs	61,485	70,000	70,000
Research and Technology	47,763	57,770	67,000
National Flood Insurance Program	14,454	20,000	40,000
All other Outlays (net)	166,715	89,083	144,100
Net Budget Outlays	3,592,268	4,983,334	5,550,191
Recapitulation:			
Net outlays from regular operations	4,656,268	4,983,334	5,850,191
Mortgage Sales	-1,064,000	...	-300,000
Net Budget Outlays	3,592,268	4,983,334	5,550,191

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